



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

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Senate Bill 0369
Income Tax - Return Preparation Assistance Program for Low-Income Families
Budget and Taxation Committee – February 8, 2022
SUPPORT

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2022 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges the passage of **SB0369 - Income Tax - Return Preparation Assistance Program for Low-Income Families**. This bill will increase the number of low-income working families who receive the Maryland Earned Income Tax Credit (EITC) by identifying eligible taxpayers who have failed to claim this credit and requiring the Comptroller to send them a pre-filled out tax return to review, sign and return.

The EITC is designed to incentivize work and help reduce poverty, particularly for families with children. Yet, about 25 percent of Marylanders who are eligible for the EITC do not claim the credit—a number that has been increasing in recent years. About two-thirds of these EITC eligible taxpayers do not file income tax returns because their incomes are so low that they are not required to file a tax return. This leaves an estimated \$304 million in federal credits unclaimed by Maryland taxpayers and in turn unspent in Maryland's economy.

Twenty-four percent of female-headed households and twelve percent of Maryland children live in households below the poverty line. Studies have shown that the EITC is one of the most effective ways to lift a family out of poverty. EITC has kept more children living above the poverty line than any other tax credit program. The Center for Disease Control (CDC) has found by reducing poverty and increasing income for working families, EITC has also been linked to positive health outcomes, particularly for infants and mothers, including a reduction in the low birthweight rate of infants.

We ask for your support for SB0369 and strongly urge a favorable Committee report.

Respectfully,

Leslie Milano
President